

MEMORANDUM

TO: Mayor Craig Brown and Members of Council

CC: City Manager Office, Executive Leadership Team, City Attorney Office

FROM: Sally Bakko, Director of Policy and Governmental Relations

DATE: January 27, 2023

RE: Legislative Report: Austin and Washington Updates

Please find below updates on legislative activities in Austin and Washington. (*To access links below, control+click on link.*)

Austin Update

88th Texas Legislature – Regular Session Key Dates

November 14, 2022 – Prefiling of bills by legislators begins.

January 10, 2023 – Texas Legislature Convenes

March 10, 2023 – 60-Day Bill Filing Deadline

May 29, 2023 – Adjournment Sine Die (140th day or 20 weeks)

Texas Legislature News Highlights

- The Lt. Governor released Senate Committee assignments today. Attached is a complete list of Senate committee assignments. Senator Middleton has been assigned the following Committees:
 - Committee on Administration (this committee sets bills on the Local and Consent Calendar, a calendar that expedites floor consideration of bills unless there is objection to a bill from two senators).
 - Committee on Business and Commerce
 - Committee on Education (including Subcommittee on Higher Education)
 - Committee on Jurisprudence
 - Committee on State Affairs
- I attended the Texas Water Development Board (TWDB) “Water for Texas” Conference held in Austin. Texas Comptroller of Public Accounts Glenn Hager opened the conference with remarks about the importance of investing in water infrastructure. State legislators participating in the conference included Senator Charles Perry, Senator Drew Springer, Representative Tracy King, and Representative Cody Harris. See additional details about the conference reported below.
- I met with Makayla Arthur, Senior Policy Analyst for Senator Brian Birdwell, Chairman of the Committee on Natural Resources and Economic Development (this committee typically has jurisdiction over beach issues).
- On her request, I met with Representative Terri Leo-Wilson to discuss the City of Galveston Legislative Agenda.
- Senate Redistricting Committee will make a few cosmetic changes to district maps and vote them out again. By doing so during the regular session, Senators will once again draw lots to determine

who gets two- or four-year terms. During the first week of session, Senator Middleton drew a lot giving him a four-year term.

- Lt. Governor Dan Patrick reverses previous plan to retire and says he will run for reelection in 2026.

Texas Legislature Pre-Filed Bills of Interest

Attached is a memorandum providing summaries of bills that may be of interest to Galveston. The bills are organized in the following categories:

- Texas Windstorm Insurance Association
- Short-Term Rentals
- Property Tax
- Sales Tax
- Public Safety
- Community and Economic Development
- Municipal Courts
- Personnel
- Open Government
- Other Finance and Administration
- Purchasing
- Transportation
- Utilities and Environment

Cities Express Concerns about Preemptive Sound Regulation Legislation, HB 1247

[HB 1247](#), filed by Rep. Cody Harris and identical companion bill (SB 577) filed by Senator Drew Springer, would restrict the ability cities to require restaurants to obtain a permit for amplified sound outside the hours and decibels set in the bill. Below are some impacts shared by the City of Austin and the City of Amarillo. Please let me know any impacts on the City of Galveston.

City of Austin

- City will no longer be able to permit restaurants within 600' of residential properties if they operate until 10 pm.
- Austin doesn't allow restaurants to use outdoor sound equipment within 100' of property zoned and used as residential, and the bill will now allow this.
- The bill would automatically add an additional 2 hours (on weeknights) and 1 hour (on weekends) of amplified music for restaurants, + 5 additional dbA.
- The bill requires measurements of dBA – Austin uses dBC to better capture low frequency impacts. Low frequency is the most difficult to control and the biggest disturbance to nearby residents.
- Neighbors of restaurants within 600 ft currently have a voice in the process of allowing extended hours, the bill removes their voices by circumventing the normal process.

City of Amarillo

- The bill requires each county, city, health district to submit any local amendments to state law to a state registry and will require a 60-day waiting period after submission before adoption – concerns about how items already on the books are impacted.
- Bill states if you require a facility to be licensed as a Food Establishment, then you cannot collect ½ of the fees for their Alcoholic Beverage license as authorized in the Alcoholic Beverage Code. The provision mentions issuing an original permit or renewal. This would almost completely zero out Amarillo's annual review budget of \$100,000.00 as majority of all are linked to Food Establishments.

- Bill would not allow local jurisdictions to charge a registration fee for a certified food manager certificate (CFM). This would have a budget impact of about \$75,000.00.
- For the CFM registrations, Amarillo verifies CFM registrations at the inspection level. Preemption will focus discussions on raising base permit fees to offset rising costs.

TWDB Water for Texas Conference Hot Topics: Investing in Water Infrastructure, Improving Aged Water Systems and Water Conservation

Cutting Our Losses: The Role of Water Loss Validation

Retail public water suppliers with either an active financial obligation with TWDB or having more than 3,300 connections must submit an annual water loss audit. All retail public water suppliers must submit a water loss audit once every five years. This session focused on the benefits of the water loss audit validation process.

- Audit and validation processes involve supply volumes, use volumes, and mechanisms to track data.
- Validation of water audits by an independent party allows for the discovery of errors and avoid “ghost leakage”, expending funds down a wrong path (i.e. source meter inaccuracies versus leak problem). An example given where California thought there was a leakage problem, but the real problem was production meter was over-recording. Consequently, California over invested in leakage detection equipment;
- Provides another level of justification for improving system and taking proactive actions;
- Allows for normalized benchmark data.
- Billing and operations staff are involved in the validation process.

TWDB actions to improve water audit and validation activities:

- Hiring 4 additional staff with focus on water audit validations. TWDB will offer free water audit validation services.
- Enhance on-line water audits.
- Offer more prescribed trainings in validation.
- [See information](#) about TWDB Loss, Use, and Conservation Workshops and Water Loss Auditor Training. See [Best Management Practices for Municipal Water Providers](#)

Highlights from Legislators’ Comments

- Senator Charles Perry, Chair, Senate Committee on Water, Agriculture, and Rural Affairs, Member of Senate Finance Committee

Fix the infrastructure we have today, estimates range from \$190 billion up to a possible \$400 billion problem scattered across municipal water distribution systems and rural water systems. Invest \$2 billion for some conservation education, but mainly focus on local districts that are facing challenges and give them some leverage on borrowing money or how they can fix it. Gear funds towards mid-level to rural initiatives because they're the ones financially strapped because of tax bases being lower or can be or about the reality of their tax base. I hope the state can leverage through existing Texas Water Development Board programs, avoiding new rules, promulgation, hearings, and public comment, and putting money on the street quickly.

- Senator Drew Springer, Member, Senate Committee on Water, Agriculture, and Rural Affairs
Older rural communities haven't kept up with their infrastructure, and we've seen the consequences of not doing maintenance on a continual basis. We need to keep pace with water infrastructure in fast-growing areas. Everybody in the legislature takes seriously that to see Texas continue to grow and prosper has to include water.

- **Representative Tracy King**, Chair, House Committee on Natural Resources (during 87th Texas Legislature)

We have a long-term drought going on, and changing weather patterns. Texas has a growing population with increasing water needs, and aging infrastructure throughout the state of Texas. With the current good budget situation, a significant amount of funding should go towards the aging infrastructure in Texas.

- **Representative Cody Harris**, Vice Chair, House Committee on Natural Resources (during 87th Texas Legislature)

The Texas Legislature has a massive surplus. Coming off of the drought with this budget surplus, now is the time to make water a priority for the future, for the state. There is buy-in from both chambers of the legislature. House Speaker Dade Phelan is committed to infrastructure and water policy, and water security. Water issues should be a top priority for the legislature.

Mandatory Hotel Occupancy Tax Reporting

The deadline for reporting local hotel occupancy tax information is February 20, 2023. Tax Code Section 351.009 requires cities to file an annual report with the comptroller that includes the city's hotel occupancy tax rate, the amount of revenue generated by the tax, and the amount and percentage of the revenue spent for each of the following purposes:

- Convention or information centers
- Convention delegates registration
- Advertising to attract tourists
- Arts promotion and improvement
- Historical restoration and preservation projects
- Signage directing the public to sights and attractions

Cities have two reporting options: (1) use the comptroller's [online reporting form](#) to submit all required information; or (2) clearly post and maintain all required information on the city's website and provide the comptroller's office with a link to the information. For cities selecting the second option, the comptroller provides an [optional format template](#) to post on the city's website. For more information, see the comptroller's hotel occupancy tax reporting [webpage](#).

Mandatory Eminent Domain Reporting

Legislation passed in 2015 requires cities to annually fill out a web-based form with the comptroller relating to each city's statutory eminent domain authority. Instructions for reporting can be found [here](#). The three-month reporting period began on November 1, 2022, and closes on February 1, 2023. However, reports may be updated at any time throughout the year. The failure to fill out the form could result in a maximum \$2,000 penalty against a city.

Washington Update

House T&I Committee Announces Subcommittee Chairs for 118th Congress

House Transportation and Infrastructure Committee Chairman Sam Graves (R-MO) announced the chairs of the panel's six subcommittees:

- Subcommittee on Aviation: Rep. Garret Graves (R-LA)
- Subcommittee on Coast Guard and Maritime Transportation: Rep. Daniel Webster (R-FL)
- Subcommittee on Economic Development, Public Buildings, and Emergency Management: Rep. Scott Perry (R-PA)

- Subcommittee on Highways and Transit: Rep. Rick Crawford (R-AR)
- Subcommittee on Railroads, Pipelines, and Hazardous Materials: Rep. Troy Nehls (R-TX)
- Subcommittee on Water Resources and Environment: Rep. David Rouzer (R-NC)

House Financial Services Committee Organizes Subcommittees

The House Financial Services Committee, the body with jurisdiction over the National Flood Insurance Program, organized committee members into subcommittees this week. Texas has five delegation members on the Financial Services Committee (Rep. Pete Sessions, (R-TX), Rep. Roger Williams (R-TX), Rep. Monica De La Cruz (R-TX), Rep. Vicente Gonzalez (D-TX), Rep. Sylvia Garcia (D-TX)). Included in Committee Chairman Patrick McHenry (R-NC) announcements, Rep. Monica De La Cruz (R-TX) will be Vice Chairwoman of the Subcommittee on Housing and Insurance where review and any action reauthorizing NFIP will typically begin. A complete listing of subcommittee assignments can be found [here](#).

FTA FY 2023 Competitive Funding Opportunity: Low or No Emission Grant Program and Grants for Buses and Bus Facilities Competitive Program

The U.S. Department of Transportation's Federal Transit Administration (FTA) today announced the [availability of nearly \\$1.7 billion](#) to support state and local efforts to modernize aging transit fleets with low- and no-emission buses, renovate and construct bus facilities, and support workforce development. Application deadline is April 13, 2013.

- FTA's [Low or No Emission \(Low-No\) Program](#) helps transit agencies buy or lease U.S.-built zero-emission and low-emission transit buses along with charging equipment and supporting facilities.
- FTA's [Grants for Buses and Bus Facilities Program](#) supports transit agencies in buying and rehabilitating buses, vans, and related equipment and building bus facilities.

Reports of Interest

[The Odds of Expanding Gambling in Texas](#)

Texas Tribune, January 27, 2023

[Fort Worth City Council to vote on new rules for short-term rentals. Here's what would change under ordinance.](#)

Fort Worth Report, January 26, 2023

[US House Transportation Committee to Review Supply Chain Operations](#)

Port Houston Executive Director Roger Guenther [listed to testify](#).

Transport Topics News, January 26, 2023

[How safe do U.S. adults believe public transportation in cities is from crime?](#)

YouGovAmerica, January 26, 2023